

Statement of the Honorable Tim Bishop  
March 2, 2006

Mr. Speaker, I thank the gentleman from South Carolina (Mr. Spratt) for yielding and for his continuing leadership and diligence in making the case against the Republican's failed economic strategy and misguided budget priorities.

These shortcomings are conspicuous in the President's fiscal 2007 budget. If the last few years have taught us anything, the emerging Republican budget resolution to be considered by this House in the coming weeks will mirror the problems and mis-steps called for in the President's proposal.

On one hand, we are hopeful, even optimistic, that the promise of his 'competitiveness agenda' represents a down-payment on the long-term and priority investments we need to make in order to maintain our competitive edge in the global economy.

And yet, on the other hand, this budget is perhaps the single most disappointing, counter-intuitive and hypocritical proposal of his six requests. Calling for deep cuts in education and health care while advocating a competitive workforce represents a fundamentally incompatible strategy.

Americans shouldn't be surprised, though, given this Administration's history of cutting taxes for the wealthiest individuals and corporations at the expense of middle class priorities. After a dozen town halls in my district in recent weeks, my constituents have spoken loud and clear about how these budget cuts are making it tougher for their families to stay ahead in today's economy.

I will focus on just two aspects of a budget proposal that reflects deeply flawed policies. First, with regard to education, under the so-called 'Deficit Reduction Act' and the President's 2007 budget request, student loan programs are cut by \$12 billion; Pell grants are frozen for a fourth year in a row; and recalling the federal portion of the Perkins Loan revolving fund could extract another \$600 million per year out of the student aid system.

As a consequence, the rapidly expanding gap between the amounts of available student aid compared to the total cost of attaining a college education is growing out of control. And yet, while this Administration's response is that colleges should charge less, it is not making the same demands of other industries that are equally critical to our economy's infrastructure and competitiveness.

While the budgets of college students and their families are stretched along increasingly thin margins and the dream of attaining a higher education is placed farther out of reach, the Administration isn't calling upon the drug companies, the oil and gas companies, or those industries operating with banner profit margins to make the same sacrifices. Investing where the government's help is needed the least – including \$16.5 billion worth of tax breaks and generous subsidies for the most profitable oil and gas companies – at

the expense of extending a helping hand to those Americans who need it the most is an economic strategy headed for failure.

Similarly, the President has chosen to scale back investments in the other pillar of America's competitiveness and critical infrastructure – health care. His plan to cut \$36 billion from providers through fiscal year 2011 could result in Medicare reimbursement cuts to medical facilities in my congressional district of approximately \$28 million over the next five years – on top of \$1.2 billion in cutbacks already enacted. Cutting funding for medical facilities doesn't save taxpayer dollars; it passes the cost onto local communities and places a greater strain on the middle class.

Meanwhile, the Medicare Part D drug benefit remains in shambles and more families are joining the ranks of 46 million uninsured Americans. These are the consequences of the Republican's flawed policies. America needs a new prescription for competitiveness, one that we should re-write as we take up the budget resolution in the weeks ahead. If we are truly committed to sharpening our competitive edge and meeting the goals set forth in the President's budget, I suggest that we back up our promises by fully funding our health care and education priorities.

Mr. Speaker, I look forward to working with my colleagues toward that end and yield back the balance of my time.